

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6217

BILL NUMBER: SB 184

NOTE PREPARED: Nov 24, 2009

BILL AMENDED:

SUBJECT: Tax Sale Redemption Interest Rates.

FIRST AUTHOR: Sen. Young R

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill requires that each bid for purchase at a real property tax sale must designate the rate of interest per annum on the amount by which the purchase price exceeds the minimum bid that the bidder agrees will apply upon redemption. The bill for the purpose of determining the successful bidder in the tax sale, allows the county treasurer, in addition to considering which bid is the highest, to consider which bid designates the lowest interest rate.

Effective Date: July 1, 2010.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The bill *could* reduce the amount of interest a county treasurer would have to pay a winning bidder if a property were later redeemed by the original owner. Bidders would offer their price *and* redemption interest rate, thereby allowing the county treasurer the flexibility to choose the redemption compensation interest rate.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: County treasurers.

Information Sources:

Fiscal Analyst: Chris Baker, 317-232-9851.